



Department of Justice

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Western District of Kentucky

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**VINE GROVE MAN CONVICTED OF MAKING FALSE STATEMENTS
ON APPLICATIONS TO THE SBA FOR HUBZONE CERTIFICATION**

- First Conviction in the United States for Fraud Committed by an Applicant to the Small Business Administration's HUBZone Program

LOUISVILLE, KY - William R. Richards, age 62, of 1370 Thompson Lane, Vine Grove, Kentucky, in Hardin County, was found guilty by a federal jury in United States District Court, Louisville, Kentucky, of making false statements on two applications Richards submitted to the Small Business Administration (SBA) on behalf of Diversified Solutions, LLC for the company to be certified as a HUBZone business, Attorney David L. Huber of the Western District of Kentucky announced today.

The jury's verdict of guilty was returned following a 3-day trial before Joseph H. McKinley, Jr., Judge, United States District Court.

To be certified as a HUBZone company a business must be small, reside in a location which has been designated as a historically underutilized business zone (HUBZone), and have 35% of its employees residing in HUBZone areas. Certified HUBZone companies are eligible to bid for and receive federal contracts which are specifically set aside and reserved for such businesses. The applications submitted by Richards in early 2006 on behalf of Diversified Solutions, LLC falsely stated that the company employed two persons at that time, one of which lived in a HUBZone area and that Diversified Solutions LLC's principle office was located at 212 East Caroline Street, in Irvington, Kentucky, which address is located in a designated

HUBZone area. Though Richards filed two HUBZone applications with the SBA on behalf of Diversified Solutions, LLC no certification was granted to the company.

The maximum potential penalties are 4 years imprisonment, a \$500,000 fine, and supervised release for a period of 1 year.

The case was prosecuted by Assistant United States Attorney James R. Lesousky, Jr., and it was investigated by the Defense Criminal Investigative Service and the Small Business Administration, Office of Inspector General.

Richards is scheduled to be sentenced before Judge Joseph H. McKinley, Jr. on November 3, 2008, at 11:00 a.m., in Louisville, Kentucky.

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